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EFTA Bulletin

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EUROPEAN FREE TRADE ASSOCIATION

EFTA Ministers meet in Geneva, 14th February 1961. (Photo ATP)

From left to right: *Mr. Max Petitpierre, Federal Counsellor, Minister of Foreign Affairs (Switzerland); Mr. F. T. Wahlen, President of the Swiss Confederation, Minister of Public Economy (Switzerland); the Rt. Hon. Edward Heath, Lord Privy Seal (United Kingdom); the Rt. Hon. Reginald Maudling, Chairman of the EFTA Council, President of the Board of Trade (United Kingdom); the Rt. Hon. Frederick Erroll, Minister of State (United Kingdom); Mr. José Corrêa de Oliveira, Minister of Commerce (Portugal); Mr. Jens Krag, Minister of Foreign Affairs (Denmark); Mr. Bruno Kreisky, Federal Minister for Foreign Affairs (Austria); Mr. Kjell Holler, Minister of Industry (Norway); Mr. Gunnar Lange, Minister of Commerce (Sweden); Mr. Gösta Netzén, Minister of Agriculture (Sweden).*

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EDITORIAL

The EFTA Ministerial Meeting on 14th, 15th and 16th February in Geneva was the most important meeting since that in Stockholm in 1959 when Ministers initialled the Convention.

*All institutions develop their own personality, EFTA is no exception. EFTA has, and has had from the beginning, two objectives: to create its own common market and to take part in building that single European market of over 300 million to which the President of the Swiss Confederation, Mr. Wahlen, made eloquent reference in his opening speech to the meeting. It is natural therefore that both these aspects should have been emphasised in the communiqué issued from the Ministerial meeting (*see page 8*). Neither of these objectives has priority over the other. Each is essential.*

It is of capital importance that EFTA should show itself able to construct its own common market, demonstrate that its techniques of cooperation can be made to work, can give the same guarantee of permanence and irreversibility as the tighter, and more articulated institutions of the European Economic Community. If one thing is certain, it is that those techniques cannot be used without serious modification in the instrument of economic integration of all free Europe. They are admirably devised to perform the task for which they were invented, the quasi-fusion of the six Members of the Community who felt for self-evident historical reasons the need for such quasi-fusion. But when we attempt to integrate all Europe we shall need other machinery. It is not a matter only of the Six and the Seven, though a settlement between them is a condition precedent for everything else. What is involved is the relations between all the countries of free Europe. The relations between all the other countries of Europe outside the Six, and between those other countries and the European Economic Community itself must be different from those between the Members of that Community. Indeed, if they were not, the creation of an all-European market might weaken the coherence and integrity of the Community.

That EFTA should be able to work is thus not the least of the contributions it can make to the cause of the single European market to which its Members are committed, for by successfully operating this alternative instrument of integration, EFTA will surely assist in constructing that single market. Rules for abolition of tariffs and quotas are only part of that task; the institutional framework is of capital importance. And both by its detailed decisions about acceleration and association with Finland, and by the manner in which they were taken, the Council has shown that EFTA can work, that it is a living organism.

EFTA AND AGRICULTURAL TRADE

By a Special Correspondent.

THE various international economic bodies have long sought to bring about an expansion of international trade in agricultural produce. At nearly every session of the Food and Agriculture Organisation reference has been made to the adverse effects of agricultural support systems. The O.E.E.C., in its Eighth Report. declared that such systems, which follow purely national aims, bring about a wasteful use of resources and may cause difficulties to other countries. GATT has expressed similar opinions. On the other hand it has always been well understood that support systems cannot be dismantled in a hurry without bringing about wide and harmful repercussions. Thus the O.E.E.C. Ministerial Committee has recognised that, to foster a greater volume of trade, national agricultural policies must be gradually adapted in coordination with one another.

Most countries of Western Europe support or assist their agriculture to some extent. The reason invoked is that agriculture has a special place as a strategic industry, or alternatively, as a way of life to be preserved : in such countries too speedy a dismantlement of the special arrangements they had made to preserve it would have caused severe economic and social disturbance. On the other hand the establishment of closer trading relationships between groups of countries has inevitably meant that there would have to be a modification of policies formulated at a time when their economic horizons were purely national ones.

The Six members of the Common Market and the Seven EFTA countries have adopted a widely different approach in

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dealing with the agricultural implications of their new relationships. The Six are to have a common agricultural policy outlined in detail and operated through a number of schemes for cereals, meat and the like. Their Cereals Bureau, for example, is expected to set indicatory prices annually, which will form the basis for all domestic prices, to make import levies to cover the gaps between world and E.E.C. prices, to make export payments in the form of refunds corresponding to charges levied upon imports, to issue import and export certificates (i.e. licences) and if necessary, to stockpile. Their policy for meat is different in that it would use common tariffs with additional import levies and some licences; but it too aims at establishing a single market.

Different Policies

This is the policy of the Common Market; it is a system which would be extremely difficult to operate without the aid of common tariffs or their equivalents, and without at least some co-ordination of import quotas vis-à-vis third countries. The European Free Trade Association has made no such comprehensive arrangement. The Seven members of EFTA have agreed that special considerations make it impracticable to apply to all agricultural imports and exports within the Area the general rules for the elimination of tariffs and quotas, though the rules about dumping apply equally to agricultural as well as to industrial exports. Instead there is a provision, Article 23 of the Convention, for the conclusion of bilateral arrangements between members providing for measures to encourage the expansion of trade. Such bilateral arrangements will remain in force as long as the EFTA Convention itself. Where these bilateral arrangements provide for the abolition of tariffs, the benefits conferred will be applicable to all members, not merely to those signing the bilateral agreements.

Denmark has concluded a number of such agreements with its partners in EFTA, including Britain. In as much as these bilateral agreements result in tariff amendments, the benefits conferred will be applicable to all members, not simply the members signing the bilateral agreement.

Bilateral Agreements

Under the Anglo-Danish agreement of July, 1960, the United Kingdom has agreed to reduce tariffs on bacon and canned pork luncheon meat in favour of Denmark in two stages so that by July 1st, 1961, both tariffs will be eliminated. For blue-veined cheese and canned cream the tariffs were eliminated on 1st July, 1960. Other parts of the Agreement reserve to the United Kingdom the right to carry out its obligations to its own producers. But the United Kingdom states that it does not intend to adopt policies likely to deny Denmark the opportunity to maintain its United Kingdom market or to share in any increase. Similarly the United Kingdom reserves the right to determine annually a guaranteed price for pigs with due regard to producers' costs and other factors, but agrees that the subsidy policy should not be used to render the bacon tariff concession nugatory. Both countries agree that they will consider what action to take together in the event of dumping by third countries.

The agreement between Sweden and Denmark (January 1960) is different. No tariff concessions are made. However, since the Swedish system of agricultural " shields " does not make it possible for Denmark to benefit from its association with Sweden in EFTA to the same extent as countries which rely on industrial exports, it has been agreed that an annual sum shall accrue to Denmark from Swedish import levies which for the first year has been fixed at 10 million Swedish kronor. If Danish shipments to Sweden, or the level of Swedish " shields " should alter, then the annual transfer may be adjusted accordingly. A list of products is given in the Agreement for which the Swedish Government are prepared to consider, together with the Danish Government, what steps can be taken to safeguard Danish interests as regards their sale in the Swedish market.

The Danish-Swiss agreement (December 1959) has a number of provisions. Switzerland will refrain from buying butter, the price of which has been reduced by subsidies below the level of world market pricess in order to enable Denmark to regain a share of at least 40 % of Swiss imports. Swiss cooperative importers are to consider whether they can buy more live cattle and meat from Denmark. Other articles provide for the opening of new quotas for horses, canned pigmeat and the enlarging of existing quotas; one tariff, that on dead rabbits, is reduced slightly. Another article requires Switzerland to avoid measures damaging to Danish agricultural interests. A mixed commission may be set up to look after the carrying into effect of the Agreement, and to make new proposals.

The Austrian-Danish agreement (November 1959) is more general. It established a joint committee, similar to the Swiss-Danish one. Austria undertakes to bear in mind the interests of Denmark. Concessions by Austria on pigs, eggs, cheese and chickens are mentioned. There are provisions for concerting anti-dumping measures.

General Provisions

In addition to these specific arrangements Articles 21-28 of the Convention contain more general provisions dealing with Agriculture (and Fish). Agricultural goods are listed in Annex D, fish and other marine products in Annex E. Under Article 22 the EFTA members state their basic agricultural aims—to increase productivity and the rational and economic development of production; to foster stable markets and adequate supplies at reasonable prices; and to ensure a reasonable standard of living for agriculturalists. They further undertake to show consideration both for the export interests of other members and the traditional channels of agricultural trade. Bearing all these points in mind they state that the objective of the Association is to facilitate the expansion of trade, providing reasonable reciprocity to members who are largely dependent on the export of agricultural produce. Article 24 states that members shall not injure the interests of other members by granting subsidies which increase exports, and—what is probably more important in the long run—that rules shall be established for gradually abolishing existing subsidised exports. Under Article 25 the EFTA Council is to keep the trade in agricultural produce within EFTA under review and to consider it once a year so as to be able to see what action shall be taken in pursuit of the objective set out in article 22.

Call for More Cooperation

" It would be unwise for any of us inside or outside the Common Market to delude ourselves that we can pursue policies in complete isolation and without regard to the repercussions that those policies will have on other countries.

" The National Farmers Union **is, therefore, seeking to improve understanding and cooperation between the various nations and their farm organisations in matters concerning agricultural production and trade".**

Extract from the Annual Address by Mr. Harold Woolley C.B.E., the President of the National Farmers Union, delivered in London on 23rd January, 1961.

DENMARK AND THE TWO MARKETS

From a Speech by Mr. J. O. Krag,
Foreign Minister of Denmark, to the Diplomatic Club in Copenhagen, 27th January, 1961.

IN the economic field it is one of the major aims of present Danish foreign policy to find a solution to the problems caused by the division of Europe into two markets. What are the facts behind this important line in Danish efforts on the international scene? In 1959, total Danish exports of goods and services represented about 400 dollars per capita, compared with 275 dollars for the United Kingdom, 290 dollars for the Federal Republic of Germany, and about 130 dollars for the United States. Almost one third of Denmark's gross national product was exported in the form of goods and services. Denmark's stake in the markets of the E.E.C. and the EFTA is illustrated by the fact that Western Europe takes more than 75 per cent of our total exports. Danish exports to Western Europe are divided almost equally between the Six and the Seven. While industrial exports account for a growing share of total exports, agricultural products still represent more than one half of all Danish exports. About two thirds of our exports to the common market of the Six consist of agricultural products; this share represents about 40 per cent of Denmark's total agricultural exports.

From these figures you will appreciate that our traditional export interests in both market areas are of crucial importance to us. It is no wonder, therefore, that we should feel concerned about the split in Europe.

I am convinced, however, that the division of Europe into two markets can only be a transitory phase. If economic growth in Europe is to be maintained at the rate achieved during the fifties, the two markets *must* be amalgamated sooner or later. The present rift severs many traditional channels of trade which were established through the efforts of several generations, and distorts a pattern of trade and production that has existed for many decades.

Comprehensive Solution

I hope this will be equally well understood in all parts of Europe. A solution to the resulting problems can only be found if political agreement can be reached. Talks and consultations between politicians and leading statesmen from countries in both market areas—especially the British Prime Minister and the Chancellor of the German Federal Republic—have brought about a much better understanding of the political necessity of finding a solution, which I hope will be followed up by summit meetings of the Heads of Government and Foreign Ministers of the six Common Market countries in a near future. If not the economic split may grow into a political rift which may have repercussions on the future of Europe. So I hope that within a foreseeable future we may arrive at the comprehensive solution which is a condition for closer European co-operation. What I mean by a foreseeable future is, in fact, that a solution must be found before investments based on the continued existence of the rift have reached such proportions that a combination of the two markets can only be achieved at the expense of these investments and by overcoming the inevitable resistance from any such vested interests.

What will be the content of such a solution? No one can answer that question to-day, but it will probably be found somewhere between the two extremes of a customs union and a free trade area. The Danish Government are ready to cooperate in any solution that will lead to a real integration of the markets in Western Europe and, at the same time, is liberal and outward-looking. We do not go in for a regional organization with high levels of protection. What we would like to see, rather, is an instrument which can work effectively for trade liberalisation on a world-wide basis.

Agricultural Trade

In the opinion of the Danish Government, it is essential that in any solution that may be found there should be provision, as far as possible, for treatment

(Continued on page 6)

EFTA's Basic Objectives

EFTA's aim is to achieve free trade in industrial goods between the Seven countries and to enable their trade in agricultural and marine products to expand. The Member States are determined:

(i) to do all in their power to bring about an accommodation between the Seven and the Six, in order to achieve a single market and the closest economic cooperation in Western Europe;

(ii) by preserving the unity and increasing the economic strength of Europe, to enable it to contribute to the expansion of world trade and so assist the newly developing countries.

of agricultural products on equal terms with those adopted for industrial products. In international co-operation Denmark finds herself in the unfortunate position that all parties are ready to co-operate in far-reaching measures to free the trade in industrial goods, while support for the Danish wish to liberalise the trade in agricultural products has been weak. You have seen for yourselves how efficient the Danish farming industry is, but with all its efficiency and with all its capacity for expansion its exports nevertheless stagnated during the fifties. The reason is that other countries have pursued protectionist policies in the agricultural sector, not only through tariffs and import restrictions but also in the form of subsidies to their agricultural exports. Through such policies they have gained access to foreign markets and inflicted on Danish agricultural products a competition for which there is no basis in the productivity of the farming industries of those countries.

Seeing that the farming industry is the most important sector of economic life in our country, the Danish Government must insist that this should be taken into account to a reasonable degree in an overall integration of the European markets. It would not be consistent with what is normally understood by reciprocity if Denmark were to throw her market open to industrial manufactures from other countries without obtaining equivalent concessions for her agricultural export trade.

Aid to Developing Countries

Europe's economic strength is obviously a factor of great importance in the efforts to solve the problems of the countries which are in the process of economic development. A strong Europe can assist these countries in their continued endeavours to raise their living standards to reasonable levels and thus contribute to the political stability of the whole world. The gradual economic recovery achieved after the war imposes on Western Europe a growing obligation to contribute effectively to the development of these countries. This work will require intensive co-operation inside Western Europe and between Western Europe and the United States and Canada in order to ensure the greatest possible aid and an effective distribution of it. The reconstitution of O.E.E.C. into the O.E.C.D. should be an important step in that direction. But this assistance to the developing countries is probably another field where the cooperation will not become really effective until all the countries of Western Europe have become united in one big European market where aid to developing countries can become an important link in the cooperation. The economic expansion which will result from an integrated West European market can become of decisive importance to the countries which are in the process of economic development because economic growth will enable Western Europe to make greater financial assistance available.

FINLAND'S TRADE OBJECTIVES

From a Speech given by Mr. A. Karjalainen, Finnish Minister of Commerce, at Zurich on 3rd February, 1961.

BOTH in Finland and abroad attention has lately been focussed on the question of promoting and regulating Finland's trade relations with foreign countries. The negotiations about relations between Finland and EFTA have not yet been concluded. The objective of the commercial policy of our country was and is to ensure the uninterrupted continuation in the future of all our traditional trading relations, having regard for the special position of our country between the Western and Eastern economic spheres.

Foreign trade is a vital growth factor in Finland's economic life. Exports of goods and services account for about 31 per cent of the national income and 25 per cent of the gross national product. In the case of Switzerland the comparable figures are higher, about 35 per cent and 31 per cent, and similarly for Austria, 33 per cent and 27 per cent. But Finland is not far behind.

The share of the East European countries in Finland's foreign trade, taking imports and exports together, is now one quarter. The share of the EFTA countries is approximately one third, and that of the E.E.C. countries is likewise one third. Also the share of the EFTA countries has lately increased a little. It is too early to say whether this trend will be maintained or is purely temporary.

The conditions for our participation through trade in the international division of labour, improve year by year. The foreign policy of our country strives to keep Finland as a neutral country outside the conflicts of the Great Powers, a country which within its borders achieves a traditional Nordic democracy. Our commercial policy strives for the development and expansion of our trade with all countries. (Tr.)

ACTIVITIES OF THE ASSOCIATION

Extracts from the Secretary-General's Progress Report

IN the period since the last Ministerial meeting in Berne on 11th-12th October, 1960, the Association has further consolidated its activities, along the lines established during the initial period in 1960. The machinery necessary at this stage to deal with the tasks before the Association has been completed. The last element of this machinery, an Economic Department, was created in January, 1961 and has now started to function.

The cooperation and consultations previously initiated among Member States, in regard to the re-organisation of O.E.E.C. and in the work of the Trade Committee of 21, as well as in the current tariff negotiations in GATT, have continued.

Operation of EFTA

In the period under review the Council has met fifteen times, including its 17th Meeting held at Ministerial level in Berne on 11th-12th October, 1960. Until 1st January, 1961, the Council was chaired by Switzerland (Mr. F. T. Wahlen at Ministerial level and Mr. O. Long at official level). Since then the Rt. Hon. Reginald Maudling and Sir Edgar Cohen, of the United Kingdom, respectively hold the chair.

The Council has so far taken thirty-one formal Decisions in all, of which ten were taken since 11th October.

The Customs Committee has met twice during this period and the Committee of Trade Experts and the Budget Committee once each.

Trade and Customs Questions

In addition to its continuing study of the Convention timetable, the Council has completed a range of other business, including a number of items prepared by the Committee of Trade Experts and the Customs Committee.

The Committee of Trade Experts met in October, 1960, and the Customs Committee in November, 1960 and in January, 1961. In addition to its work leading to the Council decisions noted above, the Customs Committee continues to make steady progress on a range of questions, in particular, in the compilation of decisions and points of agreement.

At the 17th Session of the GATT, the Contracting Parties approved certain conclusions regarding the EFTA Convention, the main point being at this stage of their examination, that the Contracting Parties did not bring their consideration to a final end but decided, in effect, to wait and see how EFTA worked out in practice. The tone of the debate was set by the United States' Delegate, who referred to his country's " general endorsement of EFTA ".

External Relations

The possibility of associating Finland with EFTA has been the object of further study. Cooperation with other international organisations has developed further. There is now a regular exchange of information with such organisations as the O.E.E.C., E.C.E., GATT and the Council of Europe.

Information

An EFTA Information Office has been created in Washington D.C., headed by Mr. A. Buraas, who will be assisted by his wife, a former senior official of the Norwegian Ministry of Trade and Industry. Mr. Buraas spent a week in Geneva in January, before proceeding to the U.S.A. to establish the Office, to be briefed in detail on the activities of the Association.

Administration

Recruitment of staff has proceeded as planned and the posts of Economic Adviser, Council Secretary and Finance Officer have been filled, as well as that of Information Officer, Washington D.C. The present staff comprises twenty members in the Professional category and the same number in the General Service category.

On 1st October, 1960, Mr. Knut Hammarskjöld arrived in Geneva to take up his appointment as Deputy Secretary-General. Mr. C. H. W. Hodges, the Deputy Executive Secretary, left on 21st December, 1960 for the United Kingdom.

Finance

A Revised Budget, considered by the Budget Committee at its meetings from 5th to 14th December last was approved by the Council on 5th January, 1961. This Revised Budget showed a total estimated expenditure for the financial year 1st July, 1960-30th June, 1961 of Swiss francs 2,237,765.

EFTA INFORMATION OFFICE IN USA

In the United States enquiries about EFTA should be addressed to: European Free Trade Association; Washington Information Office, Suite 622, Sheraton Building, 711 Fourteenth St., N.W., Washington 5, D.C.; Telephone: EXecutive 3-6015.

Communiqué

THE Council of the European Free Trade Association met at Ministerial level in Geneva from 14th to 16th February, 1961.

The Ministerial Council decided to bring forward by six months to 1st July, 1961, the date by which the next 10 per cent reductions are due to be made in the tariffs applied within EFTA. In this connection they agreed to conclude at an early date the examination, required by the Convention, of the arrangements relating to trade in fish, with the declared aim of effectively increasing this trade.

Ministers agreed that the Council at official level should pursue the examination of the possibility of advancing the subsequent stages of the timetable for reducing and eliminating the tariffs applied within EFTA. They agreed that this examination should be carried out at the same time as the studies which have in any case to be carried out during 1961 in accordance with other provisions of the Convention. They had particularly in mind the review which has to be undertaken of progress in the dismantling of quantitative restrictions; the studies which have to be made in connection with the gradual abolition of subsidised agricultural exports, and the facilitation of the expansion of trade in agricultural goods so as to provide reasonable reciprocity to the EFTA countries mainly concerned.

The Council also agreed on the procedure for the review of the development of agricultural trade provided for in the Convention and established 1st July, 1961, as the target date for this review.

Ministers reached agreement on the form of Association to be offered to Finland, including both the commercial and the institutional arrangements. Discussions with Finland will begin immediately. Ministers are confident that negotiations to establish a final text of an Agreement can be completed in a very short time.

To strengthen Europe it is essential to maintain and fortify all elements of cohesion and strength that exist already, the E.E.C., EFTA, the United Kingdom's links with the rest of the Commonwealth, and the other European countries, Members of O.E.E.C., who do not belong either to EFTA or to the E.E.C. The E.E.C. and EFTA are important achievements in strengthening Europe. But the mere co-existence of these two groups is not sufficient to realise Europe's economic potential, to enable it to play its full part in the world, and make a greater contribution to the advance of the technically less-developed countries. EFTA's wish is to take part, with the E.E.C., in the creation of a single European market which could comprise over 300 million people, one of the largest free markets in the world. This would greatly strengthen the future O.E.C.D. Only in these ways would it be possible to prevent the wasteful use of productive resources, the misdirection of enterprise and investment and the extension of European division to Africa.

The Ministers noted with satisfaction that, in the Communiqué issued on 11th February, the Heads of State and of Governments of the E.E.C. have proclaimed their intention of trying to find a solution of the problems resulting from the existence of two economic groups in Europe. Given this will, such a solution can be found. For their part, they are ready to begin negotiation with the Members of the European Economic Community whenever they wish. They therefore welcome the contacts between representatives of the United Kingdom and of countries of the E.E.C. to explore the basis for future negotiations between all the countries concerned. They welcomed also the continuing opportunities presented within the framework of the GATT for the broadly-based reduction of

MINISTERIAL MEETI

GENEVA, 14t

Press Conference held by the Chairman of the EFTA Council, the Rt. H

MEMBE

(U.K. in

	Austria	Denmark	Norway
Ministers: (present at Geneva meeting)	Mr. B. KREISKY (Foreign Affairs)	Mr. J. O. KRAG (Foreign Affairs)	Mr. K. Ho (Industry)
Heads of Delegations:	Mr. E. TREU	N. V. SKAK-NIELSEN	S. C. SOM FELT
Deputies:	Mr. M. SCHEICH	T. JANTZEN	A. SKARST

THE EFTA COUNCIL
BRUARY, 1961

at the Bâtiment Electoral, Geneva, on 16th February 1961. (Photo Pilet)

barriers to trade, not only within Europe, but also between Europe and the United States and other countries of the world.

Ministers agreed that the Consultative Committee, which includes representatives of the main sectors of economic life in Member States, should meet for the first time early in May.

It was agreed to hold the next regular meeting of the Council at Ministerial level in London during the second half of June.

Final Press Conference

AT a press conference following the release of the communiqué, the Chairman of the Council, Mr. Reginald Maudling, was asked whether the EFTA tariff reductions were to keep pace with those of the E.E.C. Mr. Maulding replied that EFTA had made its first tariff cuts of 20% (on 1st July, 1960) in order to keep in line with the tariff reductions under the Treaty of Rome. EFTA felt that in making reductions it should avoid making the chances of agreement between the Six and the Seven more difficult. The importance of agreement between the EFTA and E.E.C. must not be forgotten, but that did not mean that EFTA had to follow E.E.C. in everything it did.

Asked whether, if Finland became an associate member of EFTA she would automatically participate in the tariff reductions of 20% already made, and the further 10% reduction on July 1st, Mr. Maudling replied that he could not disclose the details of the documents which were being passed to the Finnish Government, for obvious reasons. He thought that they would have no objection to his saying that the commercial contents would put Finland on the same basis as the Member States of EFTA.

In reply to a question whether there was a possibility that Canada could become an associate member of EFTA, Mr. Maudling said that EFTA countries would all welcome such an association, but he thought that it would be wiser to ask the Canadians.

Mr. Maudling was asked several questions about the approach of EFTA countries to the current GATT tariff negotiations. He made it clear that the EFTA countries had no common policies in these negotiations. They would negotiate as individuals, but would maintain close contact throughout the negotiations and machinery existed for such contact. He pointed out that the communiqué contained a paragraph stressing the extent to which EFTA welcomed the opportunity afforded by these negotiations.

Mr. Maudling was asked whether an agreement between the Six and the Seven would not supersede the O.E.C.D. rather than strengthen it. He replied that the objective of O.E.C.D. was to further cooperation and development. EFTA felt that cooperation would be so much closer when present problems were put on one side. So far as development was concerned, the members of EFTA all felt that their capacity to help with development funds depended on their economies and that if the problems of the Six and the Seven could be solved, the economies of the countries concerned would be stronger and they would thus be able to give more aid to other countries.

Asked whether EFTA was preparing formulate counter-proposals for discussion while waiting for the Six to make the first move, Mr. Maudling replied: "We made the first move when we signed the Convention saying that we would start new negotiations as soon as the Six were ready. They must make the second move. When they do so we are at their disposal. There are differences between making proposals and concessions. We are agreed that in negotiations with the Six we must approach such negotiations with the willingness to give and take. It is difficult to say yet before they appproach us whether we are to be asked to make concessions. We will make concessions when negotiations start. The question has been whether any negotiation is to be started at all. We know what we want and what is a possible means of solution, but the basis which we would like is not acceptable to the Six. We are looking for something which is acceptable to both."

Mr. Maudling was asked whether the reference of the communiqué to the need to fortify and maintain EFTA meant that EFTA would not contemplate its merging into a wider association if agreement with the Six were possible on that basis. He replied they all wanted a single market preserving the interests of all countries concerned. There were differences of approach in the way the Six and the Seven respectively looked at integration. One should think of the two groups concluding an agreement rather than merging.

COUNCIL
nuary, 1961)

	Sweden	Switzerland	United Kingdom
EA	Mr. G. LANGE (Commerce) Mr. G. NETZÉN (Minister of Agriculture)	Mr. M. PETITPIERRE (Foreign Affairs) Mr. F. T. WAHLEN (National Economy)	Mr. R. MAUDLING (Board of Trade) Mr. E. HEALTH (Lord Privy Seal) Mr. F. ERROLL (Minister of State)
	N. T. MONTAN	O. LONG	Sir Edgar COHEN
)	B. FRIEDMAN	F. WALTHARD	G. H. BAKER

Formal Decisions of the Council in 1961

Decision No. 1: Establishment of Revised Budget for 1960-61

Taken at the first meeting of the Council in 1961 on 5th January 1961, in accordance with Article 34 (c) of the Convention.

The Budget established by Decision No. 12 of 1960 (now revoked) was provisional since in July 1960 much of the early cost of establishing the Association had not been brought to account while future expenditure could not at that time be foreseen with any great precision. In the Autumn of 1960, however, it became possible to clarify the situation and the Budget Committee was able to agree on revised estimates when it held its second meeting in December. The revised budget provides for a total expenditure of 2,237,765 Sw. Fr. in the financial year ending 30th June 1961 in addition to costs amounting to 293,410 Sw. Fr. brought to account up to the end of June 1960. The Budget Committee will meet again in the Spring to agree on the estimates for 1961-62.

Decision No. 2: Determination of revised contributions for 1960-61

Taken at the first meeting of the Council on 5th January 1961 in accordance with Article 34 (c) of the Convention.

In the light of the revised estimates and Budget established by Decision No. 1, the Council revoked paragraph 2 of Decision No. 14 of 1960 and determined the revised contributions to be made by Member States to the expenses of the Association : Austria 212,811 Sw. Fr., Denmark 225,567 Sw. Fr., Norway 184,392 Sw. Fr., Portugal 88,839 Sw. Fr., Sweden 494,770 Sw. Fr., Switzerland 360,056 Sw. Fr., United Kingdom 671,330 Sw. Fr.

Decision No. 3: Amendment of the Staff Regulations

Taken at the second meeting of the Council on 11th January 1961 in accordance with Article 34 (b) of the Convention.

The Council made some small amendments, concerning acting allowance and education allowance, to the Staff Regulations established by Decision No. 11 of 1960.

Decision No. 4: Amendment of Article 3 and of Annex G

Taken at the sixth meeting of the Council, at Ministerial level, 14th-16th February, 1961, in accordance with the provisions of paragraph 5 of Article 3 and paragraph 4 of Article 32.

This is the formal Decision on the acceleration of the timetable for EFTA tariff reductions. Although perhaps the most significant Decision yet taken by the EFTA Council, its actual text is short, since it does no more than substitute, in the English and French texts of the Convention, the date 1st July, 1961 for 1st January, 1962 in paragraph 2 (a) of Article 3 and the date 1st January, 1963 for 1st January, 1965 in paragraph 4 (a) of Annex G. The effect of these changes is, of course, to bring forward by six months the date by which the next tariff reductions of 10% have to be made by Member States on the generality of industrial goods, and to bring forward by two years the date for the next 10% reductions by Portugal on the items to which the special timetable in Annex G applies.

The agreement reached by the Ministerial Council concerning the examination of the possibility of making changes in the later stages of the Convention timetable was a procedural decision, of the kind which the Council is taking all the time, about its own future programme of work; for this reason it does not appear in the list of formal Decisions of the Council, but only in the summary record of the Council's meetings.

Decision No. 5: Establishment of a Consultative Committee

Taken at the sixth meeting of the Council, at Ministerial level, 14th-16th February, 1961, in accordance with paragraph 4 of Article 1 of the Convention.

This is the formal Decision on the establishment of a Consultative Committee, the terms of which were agreed by the Ministerial meeting of the EFTA Council in Berne in October, 1960, but which was subject to a reservation by the Danish representative pending the conclusion of certain consultations. At the Geneva Ministerial meeting the Danish representative was able to withdraw this reservation and the Decision was then formally taken.

The Consultative Committee so established can exchange views and information on any matter within the scope of the work of the Association. The Members of the Consultative Committee are to be designated by Member States, who will choose them from personalities representative of the main sectors of economic life, including labour; they will, however, be chosen in their personal capacity and not as delegates. The Chairman of the Council will take the Chair at meetings of the Consultative Committee.

Decision No. 6: Rules of Procedure of the Consultative Committee

Taken at the sixth meeting of the Council, at Ministerial level, 14th-16th February, 1961, in accordance with paragraph (a) of Article 34 of the Convention.

This Decision was taken at the same time as that establishing the Consultative Committee. It provides that the Consultative Committee will normally meet at least twice a year at a time and place to be decided by the Chairman in consultation with the Council. It will normally meet in private. The Decision establishing the Committee says that up to five Members from each Member State may be present during any meeting, and the Rules of Procedure lay down that the Member States shall notify the Secretary-General in advance of the meeting of the names of those who will be present. Representatives of Member States permanently in Geneva and members of the Secretariat can also attend meetings.

Members of the Consultative Committee can raise any matter within the scope of the work of the Association but the actual conduct of their deliberations will be in the Chairman's hands. After each meeting, the Chairman must make a report to the Council on the proceedings of the Committee. There are provisions about working languages and about interpretation.

The agreement reached by the Ministerial Council that the first meeting of the Consultative Committee would take place early in May was a procedural decision.

FUTURE DECISIONS

In future issues of the EFTA Bulletin details will be published, as a regular feature, of the latest Decisions taken by the EFTA Council.

WORK OF THE CUSTOMS COMMITTEE

By the Chairman of the Committee, Mr. L. J. White.

ONE of the principal features of the European Free Trade Association is the reduction and abolition of tariffs on products of EFTA origin, as defined by the criteria in Article 4 and the rules in Annex B of the EFTA Convention. The criteria are, in their general form, similar to those which have been applied from time to time by various trading nations, but the EFTA origin rules elaborate these criteria in a detailed manner which is almost without precedent. For example, the lists of qualifying processes (which, if carried out within the EFTA, confer EFTA origin on the resulting product) give detailed precision to the familiar general concept of " substantial transformation " as an origin criterion. This detailed precision of the EFTA origin system represents a genuine effort to improve some of the earlier origin concepts which, though simple in appearance, could in practice be uncertain in application because they would be open to widely different subjective interpretations. Under the EFTA system, traders and Customs administrations are given more clear and precise rules for determining whether a particular article is or is not of EFTA origin.

Nevertheless any origin system, however carefully devised, will still give rise to individual problems when it is introduced for application to the various methods of trading and to the great diversity of products exchanged within EFTA. The EFTA trader has to accustom himself to deciding which of the origin criteria and rules apply to his exports, and furnish an origin document in one of the prescribed forms. The Customs authorities in the importing countries have to devise techniques for satisfying themselves that this document—the declaration or certificate of origin—is valid for a claim to the EFTA tariff reduction. The system has to be applied every day to individual consignments of goods.

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THE STOCKHOLM CONVENTION EXAMINED

Part 1—Basic Assumptions and Structure

IN the first days of June, 1959, three dozen officials from the seven countries which are now the Member States of EFTA assembled in Saltsjöbaden, a pleasant resort in the Stockholm Archipelago, to draw up a Draft Plan for a European Free Trade Association. This Draft Plan was, in effect, a first sketch of the Stockholm Convention and, being written in descriptive rather than legal language, it throws a great deal of light on the intentions which the Convention eventually embodied. It was on the basis of this Draft Plan that Ministers of the seven countries agreed in July, 1959, to recommend to their Governments that EFTA should be set up.[1]

The officials were instructed to prepare a draft Convention, based on the Draft Plan, by the end of October, 1959. They reassembled at the beginning of September and the work was done in eight weeks. This, by any reckoning, was fast work, especially considering the far-reaching nature of the obligations which the Member States were accepting and the complexity of the economic and commercial interrelationships and activities with which the Convention deals. Inevitably some of the detailed work could not be completed in the time and had to be left over until later, and to some extent this was reflected in the actual text of the Convention.

But there were more important factors determining the form and character of the Convention. One of these, as will become apparent in the course of these studies, was the assumption which the authors of the Convention were able to make, that there would rapidly come to exist between the Member States a very far-reaching degree of mutual confidence and readiness to co-operate on a practical basis in large and small matters alike. The authors of the Convention were able, to a surprisingly large extent, to take it for granted that many of the practical details could be left to look after themselves. They were able to make and sustain these assumptions because their countries were already, from the start, in the right posture. For over a decade the seven countries had been members of such other European organisations as the O.E.E.C., where they had acquired the habit of working together; they had had the invaluable preparatory experience of the work done in the so-called Maudling Committee on the seventeen-country free trade area, and they knew from the beginning that they all wanted the same kind of association to be created. With such a large measure of identical thinking and experience, it was found that many of the considerations involved in the creation of the Association did not in fact need to be spelled out in detail.

Pragmatic Approach

The authors of the Convention were also essentially pragmatic in their approach to their task. They did not try to legislate in detail and in advance for every

(Continued on page 12)

[1] See " Stockholm Draft Plan for a European Free Trade Association ", published as Cmnd. 823 by Her Majesty's Stationery Office, London. This contains the text of the communiqué issued after the Ministerial meeting in Stockholm on 20th and 21st July, 1959, as well as the text of the Draft Plan itself.

contingency that might arise. Instead they established a framework within which the necessary minimum of detailed rules could be set out, and for the rest they contented themselves with the statement of certain guiding principles and the indication of procedures by which those principles could be applied in practical situations, if those situations ever came about. The result of this pragmatic approach was that many of the Articles in the Convention have the nature of signposts rather than of detailed maps.

The combined effect of the authors' basic assumtions and of their pragmatism permitted some exceedingly simple solutions of inherently complex problems. This is particularly noticeable in the institutional arrangements which the Convention made and in the way in which the Convention ensures that the obligations it creates will be respected.

The Structure of the Convention

The text which resulted from the Stockholm negotiations is a closely knit document, with a high degree of articulation. To understand fully the significance of many of its parts, it is necessary first to consider it as a whole.

The Convention begins by declaring its aims and purposes. These are set out in the Preamble and Article 2, entitled " Objectives ". Further objectives relating to agriculture and fish are stated in Articles 22 and 27. These declarations are important, not only in themselves so that the world can know what is being done and why, but also in relation to the consultation and complaints procedure in Article 31, which in turn controls the way in which the Convention secures the implementation of the obligations scattered throughout its various Articles. For this reason the objectives cannot be regarded merely as pious formulations; they are an integral and vital part of the structure of the Convention and one of the keys to the way in which the Association carries out its activities.

The hard substance of the Convention is to be found in three further groups of provisions, dealing with the three main sectors of economic activity within the Association :

The Industrial Sector. This covers trade in all goods other than those specifically listed as falling in the other two sectors. In fact the industrial sector covers not only industrial raw materials, semi-manufactures and manufactures, but a substantial range of products of farming and fishing, especially those which have undergone some industrial processing.

The Agricultural Sector. This covers trade in those agricultural goods which are specifically listed in Annex D to the Convention.

The Fisheries Sector. This covers trade in those kinds of fish and other marine products which are specifically listed in Annex E to the Convention.

For each sector there is a separate set of provisions, the basic provisions for the industrial sector being in Articles 3 to 12, which are supplemented by Annexes A and B and the four Schedules; while those relating to agriculture are in Articles 21 to 25 and those relating to fisheries are in Articles 26 to 28.

The division of the field into sectors in this way is essentially a recognition of the different nature and circumstances of trade in many of the products of farming and fishing, when compared with trade in industrial products among a group of predominantly highly-industrialised countries. Each in its own way, the three sectors stand side by side and the three corresponding groups of Articles are equally essential elements in the structure of the Convention and in the reality of the Association.

The provisions governing trade in the industrial sector have to be seen against the background of a further group of provisions, the so-called " rules of competititon " in Articles 13 to 17 and Annex C [2]. These are for the most part " signpost " provisions, and the consultation and complaints procedure in Article 31 has a particularly close bearing upon them. As a group, these Articles are of particular interest in that they are largely concerned not so much with actions in themselves as with the effects which certain kinds of action may have.

[2] Article 17, which deals with dumping, in fact applies to all three sectors. Article 13, on Government aids to industry, is paralleled in the agricultural sector by Article 24.

Glossary

EFTA — **The European Free Trade Association, established by the Stockholm Convention. Its members are Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom.**

E.E.C. — **The European Economic Community, established by the Treaty of Rome. Its members are Belgium, France, Germany, Italy, Luxembourg and the Netherlands.**

O.E.E.C. — **The Organisation for European Economic Cooperation was established in Paris in 1948. Its 18 Member States are the Seven of EFTA, the Six of the Common Market (E.E.C.) and Eire, Greece, Iceland, Spain and Turkey. The reorganisation of O.E.E.C. as the Organisation for Economic Cooperation and Development (O.E.C.D.), with the United States and Canada as full members, has now been agreed.**

GATT — **The General Agreement on Tariffs and Trade. It came into operation on 1st January 1948. 38 States are Contracting Parties to the Agreement and other States are associated.**

The rules of competition are, therefore, conceptually unusual and for this reason their nature, and the way in which they work, is sometimes found a little difficult to understand. The reason for their existence, on the other hand, is essentially a simple one. In the Europe of today the creation of a free trade area presupposes not only that its members are by and large at about the same stage of economic development, but also that by and large they will all follow the same kinds of policy in those matters which affect the conditions within which their industries and traders will be competing with each other. There are many things which Governments can do which, either deliberately or accidentally, may have the effect of interfering with the flow of trade, by impeding, diverting or artificially stimulating it. The rules of competitition are designed to provide a framework within which such effects can be dealt with, insofar as the effects are found to be undesirable from the point of view of the satisfactory working of the free trade area.

Another group of provisions relating to the industrial sector consists of the three Articles 18 to 20. The first of these provides for exceptions from the rules when these are necessary in the interests of national security; the other two are safety-valves designed to relieve the pressure generated by Articles 3 to 12, in the event of such pressure becoming excessive. The first of these safety-valves is concerned with the difficulties which may result from the application of Article 10, on quantitative import restrictions, if a Member State runs into an adverse balance of payments situation, and does little more than restate the rights which the Member States, as contracting parties to the GATT, already have in such a situation. The second is concerned with difficulties which may arise in particular sectors as a result of the reduction and elimination of import duties, the protective element in revenue duties and quantitative import restrictions.

After the provisions on agriculture and fish there come two further Articles which, by their very nature, are not related to any particular sector. These are Article 29, which enables the Council to take action dealing with invisible transactions and transfers if the need to do so should ever arise, and Article 30, which provides for consultations on general questions of economic policy.

Complaints Procedure

Reference has already been made to the general consultation and complaints procedure in Article 31. This procedure sets out, in effect, the basis of the operational aspect of the principal organ of the Association, the Council, the institutional aspect of which is set out in Article 32. The two essential provisions made by Article 31 are, first, that the Member States shall discuss with each other any matter in which it seems that the Association is not working as it should, or might be made to work better, and secondly, that if a disagreement emerges which cannot be settled by simple discussion, then it will be settled collectively by majority decision. Article 32 provides that the central forum for such discussions is the Council and that it is the Council which has the powers of decision. Taking the two Articles together, it is clear that in practice the representatives of the Member States, sitting together as the Council, can talk about anything that has to do with the Convention and the Association and can decide upon a very wide range of questions. In fact the Council has very rapidly become the focal point for many kinds of consultation between the Member States.[3]

The remaining provisions of the Convention are of an administrative or legal character; the significant aspects of these provisions will be noticed in due course, but they are not a vital part of this preliminary survey of the structure of the Convention.

The way in which the various parts of the Convention fit together can now be visualised schematically. The central substance is contained in the three sets of provisions relating to the three sectors, for each of which there is a statement of objectives. The provisions for the industrial sector are supplemented by the rules of competition, the Article on security exceptions and the two safety-valve Articles. The rule of competition concerning subsidies is paralleled for the agricultural sector, while the rule concerning dumping applies to all three sectors. Two further Articles on invisibles and economic policies apply to all the sectors. These various groups of provisions are related to each other and also directly to the consultation and complaints procedure, which in turn relates to the statements of objectives. The consultation and complaints procedure is intimately related to the institutional provisions. The whole is informed by the purpose stated in the Preamble.

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[3] Cf. "EFTA is working-and working well", by Mr. O. Long, EFTA *Bulletin*, Vol. II, no. 1/2, February 1961, p. 3.

STUDIES OF THE EFTA CONVENTION

This is the first of a series of studies written by an official in a personal capacity. The purpose of this series is not only to clarify for the general reader some of the more complicated and technical aspects of the Convention, but also to indicate the basic ideas which, in the author's view, underly its various provisions.

The next article, to be published in the April issue of the Bulletin, will deal with the Preamble to the Convention and the first two Articles. It is proposed to reprint these articles later in pamphlet form.

WORK OF THE CUSTOMS COMMITTEE

(Continued from page 11)

It is this aspect of intra-EFTA trade—the day-to-day operation of the rules for tariff reductions and origin—which has been the main preoccupation of the EFTA Customs Committee during the first six months of its work. Under the directions of the Council, the Committee has concentrated on ensuring that the rules are applied effectively and with the minimum of disturbance to trade. The Custom procedures relating to EFTA imports into each Member State have been compared and adapted where necessary. The Committee has also made recommendations about the records and documents which EFTA traders are advised to keep in support of their origin declarations.

Particular attention has been given to the desirability, in the interests of traders and Customs alike, of avoiding divergencies in practice concerning the interpretation of the origin rules and the way in which origin documents are to be completed and presented. In these matters, a uniform code of practice throughout EFTA helps to avoid confusion and misunderstandings which could otherwise impede trade. At the same time, the Committee has not omitted to consider the need, in relation to particular categories of goods or classes of transaction, to adapt the ordinary EFTA procedures and documents to meet special circumstances; adaptions of this kind have been applied to consignments of small value, to spare parts for engineering products, and to goods sold to one EFTA country and then resold to another. Agreement has been reached on simplifying the documentary requirements in certain cases where several EFTA traders are concerned in the production, sale and exportation of an article.

It can be confidently stated that, in general, the origin rules, procedures and forms provided for in the EFTA Convention have worked very well in practice; and that, in combination with the supplementary arrangements made for some special types of case, they meet the needs of traders and administrations. The provision of an origin declaration (Form 1a), the text of which can be simply added to the normal commercial invoice, has demonstrated its value as an easy and effective method for producers to claim EFTA origin. The Committee will shortly examine the possibility of further improvements in this direction, as part of its general and continuing work of reviewing the rules and procedures in order to keep them simple, effective and helpful to intra-EFTA trade.

Other subjects which will engage the attention of the Committee in the near future include the application of the origin rules to goods re-imported into one Member State after repair or processing in another; the " consignment rule " as applied to EFTA tariff reductions; the EFTA arrangements for drawback (Article 7 of the Convention); and an examination of the consequences of some minor amendments which are to be made in the Brussels Nomenclature for the classification of goods. An important and valuable part of the Committee's activities will be to develop exchanges of experience on EFTA matters between the administrations of Member States, and mutual assistance between them in the control and verification of claims to EFTA origin.

Note: Articles on the EFTA Customs Committee and the working of origin rules have been published in *EFTA Bulletin*, Vol. I, no. 1, p. 14, and *EFTA Bulletin*, Vol. I, no. 3, p. 13.

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EFTA National Committees

The EFTA Action Committee, which was initiated by the Political and Economic Conference of the Seven held in London last November, met again in London on January 28-29. It agreed to set up an International Committee, and to establish National Committees in all EFTA countries. Where National Committees do not already exist, it is planned that this development will be completed by the middle of March.

Mr. Per Federspiel of Denmark, who is President of the Consultative Assembly of the Council of Europe, was elected interim chairman of the International Committee, with Sir Edward Beddington-Behrens, chaiman of the United Kingdom Council of the European Movement, as interim deputy chairman.

The Committee decided to organize a number of studies of different aspects of EFTA development, including closer co-operation with the European Economic Community. Work on some of these studies is now proceeding.

Representatives of all EFTA countries attended the meeting, including Dr. Walter Boveri (Switzerland), Professor Gunnar Heckscher (Sweden), Mr. Alf Ihlen (Norway), Dr. Bernardo Mendes de Almeida Conde de Caria (Portugal), and Dr. Fritz Diwok, personal assistant to Dr. Reinhard Kamitz, chairman of the Austrian National Bank.

TRADE BETWEEN EFTA COUNTRIES

A. TRADE OF INDIVIDUAL EFTA COUNTRIES WITH THE REST OF THE EFTA AREA

Monthly averages or individual months — Thousand U.S. dollars

Period	Austria	Denmark	Norway	Portugal	Sweden	Switzerland	U. K.	EFTA countries combined
				IMPORTS c.i.f.				
1958 Year	**10,000**	**44,151**	**41,220**	**8,612**	**48,249**	**15,415**	**85,512**	**253,159**
1959 1 QR	9,114	46,056	38,444	6,862	42,085	17,620	81,524	241,705
2 QR	11,389	50,061	38,402	9,429	48,341	20,683	83,630	269,935
3 QR	11,161	50,065	40,847	7,454	44,304	19,933	94,429	268,193
4 QR	12,893	54,939	41,076	8,910	60,682	22,948	99,379	300,827
Year	**11,140**	**50,282**	**39,691**	**8,163**	**48,854**	**20,296**	**91,742**	**270,168**
1960 1 QR	14,753	54,286	48,494	6,427	58,257	20,264	103,095	305,576
2 QR	13,258	53,690	46,399	9,052	54,980	20,362	109,118	306,859
3 QR	14,113	48,411	38,991	8,422	51,236	20,577	110,590	292,340
4 QR	*14,989*	*59,866*	*47,893*	*12,135*	*(70,027)*	*23,668*	*110,850*	*(339,428)*
Year	*14,278*	*54,063*	*45,444*	*9,009*	*(58,625)*	*21,218*	*108,413*	*(311,050)*
				EXPORTS f.o.b.				
1958 Year	**8,004**	**41,782**	**23,184**	**3,614**	**59,954**	**20,050**	**77,311**	**233,899**
1959 1 QR	7,892	41,050	23,783	3,590	55,618	19,167	80,616	231,716
2 QR	8,910	43,792	27,567	3,649	63,721	20,327	83,865	251,831
3 QR	9,251	51,027	23,887	4,351	58,648	21,215	77,300	245,679
4 QR	11,252	49,905	29,608	5,209	69,548	25,282	93,822	284,626
Year	**9,327**	**46,443**	**26,212**	**4,200**	**61,884**	**21,498**	**83,904**	**253,468**
1960 1 QR	11,135	49,515	30,592	4,071	68,707	22,880	96,900	283,800
2 QR	10,739	51,114	31,964	4,775	71,339	22,908	90,782	283,621
3 QR	11,492	51,948	29,426	5,644	74,679	28,990	81,599	283,778
4 QR	*13,183*	*55,144*	*35,552*	*7,564*	*(78,475)*	*25,187*	*99,951*	*(315,056)*
Year	*11,637*	*51,930*	*31,884*	*5,514*	*(73,300)*	*24,991*	*92,308*	*(291,564)*

( ) Estimates

B. *SWITZERLAND'S TRADE WITH EFTA PARTNERS*

Thousand U.S. Dollars

	1960 Jan.-Dec.	1959 Jan.-Dec.	Percentage incr.(+)or decr. (—)
Imports from			
United Kingdom	132,652	142,800	− 7.1*
Austria	48,451	40,668	+19.1
Sweden	40,376	29,208	+38.2
Denmark	19,551	17,928	+ 9.1
Norway	8,931	9,180	− 2.7
Portugal	4,651	3,768	+23.4
EFTA Total	**254,612**	**243,552**	**+ 4.5****
Exports to			
United Kingdom	109,166	95,844	+13.9
Austria	60,067	50,784	+18.3
Sweden	53,958	46,572	+15.9
Denmark	34,383	27,732	+24.0
Portugal	21,565	17,724	+21.7
Norway	20,732	19,320	+ 7.3
EFTA Total	**299,871**	**257,976**	**+16.2**

C. *UNITED KINGDOM'S TRADE WITH EFTA PARTNERS*

Thousand U.S. Dollars

	1960 Jan.-Dec.	1959 Jan.-Dec.	Percentage incr.(+)or decr. (—)
Imports from			
Sweden	461,470	359,220	+28.5
Denmark	409,660	378,612	+ 8.2
Norway	218,490	179,088	+22.0
Switzerland	131,480	115,872	+13.5
Portugal	51,800	42,600	+21.6
Austria	33,200	25,512	+30.1
EFTA Total	**1,305,870**	**1,100,904**	**+18.6**
Exports to			
Sweden	376,280	323,376	+16.0
Denmark	254,500	252,252	+ 0.9
Norway	202,870	168,516	+20.4
Switzerland	142,260	151,140	− 5.9
Portugal	69,860	63,216	+10.5
Austria	62,570	48,348	+29.4
EFTA Total	**1,108,090**	**1,006,848**	**+10.1**

* +13.8% if exceptional non-commercial imports are excluded from the trade figures for both years.
** +17.3% if exceptional non-commercial imports from the United Kingdom are excluded from the trade figures for both years.

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